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HOUSE BILL 3111 By
Walley

SENATE BILL 3277
By Wilder

AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 2, Part 3, relative to the Chickasaw Trail Economic Development Compact.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-2-301, is amended by deleting the section in its entirety and by substituting instead the following:

The governor, on behalf of this state, is hereby authorized to execute a compact, in substantially the following form, with the State of Mississippi; and the general assembly hereby signifies in advance its approval and ratification of such compact, which compact is as follows:

CHICKASAW TRAIL ECONOMIC DEVELOPMENT COMPACT

ARTICLE I. The purpose of this Compact is to promote the development of an undeveloped rural area of Marshall County, Mississippi, and Fayette County, Tennessee (hereinafter referred to as "Chickasaw Trail Economic Development Compact Area"), and to create a development authority which incorporates public and private partnerships to facilitate the economic growth of such areas by providing developed sites for the location and construction of manufacturing plants, distribution facilities, research facilities, regional and national offices with supportive services and facilities, and to establish a joint interstate authority to assist in these efforts.

ARTICLE II. This Compact shall become effective immediately whenever the States of Tennessee and Mississippi have ratified it and Congress has given consent thereto.

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ARTICLE III. The states which are parties to this Compact (hereinafter referred to as "Party States") do hereby establish and create a joint agency which shall be known as the Chickasaw Trail Economic Development Authority (hereinafter referred to as the "Authority"). It shall be the duty of the Authority in general to promote, encourage and coordinate the efforts of the Party States to secure the development of the Chickasaw Trail Economic Development Compact Area. Toward this end, the Authority shall have power to hold hearings; to conduct studies and surveys to address problems, benefits, and any other matter associated with the development of the Chickasaw Trail Economic Development Compact Area, and to make reports thereon; to acquire, by gift or otherwise, and hold and dispose of such money and property as may be provided for the proper performance of their function; to cooperate with other public or private groups, whether local, state, regional or national, having an interest in economic development; to formulate and execute plans and policies for emphasizing the purpose of this Compact before the Congress of the United States and other appropriate officers and agencies of the United States and of the states of Mississippi and Tennessee; and to exercise such other powers as may be appropriate to enable it to accomplish its functions and duties in connection with the development of the Chickasaw Trail Economic Development Compact Area and to carry out the purposes of this Compact.

ARTICLE IV. DEFINITIONS.

Whenever used in the Act, the following words and terms shall have the following respective meanings unless a different meaning clearly appears from the context:

- (1) "Board" means the Board of Directors of the Authority.
- (2) "Bonds" means either revenue bonds, general obligation bonds, bond anticipation notes, or other types of debt instruments issued by the Compact unless the reference to bonds clearly indicates "revenue bonds," "general obligation bonds," "bond anticipation notes" or such other forms of debt instruments.

(3) "Compact Authority" (the "Authority") means the Chickasaw Trail Economic Development Authority; the joint agency created by the state legislatures of Mississippi and Tennessee under the constitution of the respective states and approved by the United States Congress.

(4) "Compact Area" means that area composed of approximately eight thousand (8,000) acres, located on both sides of the Tennessee/Mississippi state line at the point where Shelby County and Fayette County adjoin Marshall County, Mississippi. The project boundaries are Highway 72 on the north, Quinn Road on the west, the proposed extension of Goodman Road on the south and Redbanks Road on the east. Approximately one thousand one hundred (1,100) acres of the study area are located in southeast Shelby County; six hundred (600) acres are located in southwest Fayette County; and six thousand three hundred (6,300) acres are in Marshall County, Mississippi.

(5) "Cost of Project" means all costs of site preparation and other start-up costs; all costs of construction; all costs of real and personal property acquired for the purposes of the project and facilities related thereto, including land and any rights or undivided interest therein, easements, franchises, fees, permits, approvals, licenses, and certificates and the securing of such permits, approvals, licenses and certificates, and all machinery and equipment, including any cost associated with financing charges and interest prior to and during construction and during such additional period as the Compact may reasonably determine to be necessary for the placing of the project in operation; costs of engineering, geotechnical, architectural, and legal services; costs of plans, testing, development and specifications and all expenses necessary or incident to determining the feasibility or practicability of the project; administrative expenses; and all expenses as may be necessary or incidental to the financing. The costs of any project may also include funds for the creation of a debt service reserve, a renewal and replacement reserve, and such other reserves as may be reasonably required by a specific bond issue for the operation of its projects and as may be authorized by bond resolution or trust agreement or indenture pursuant to

the provisions of which the issuance of any such bonds may be authorized. Any obligation or expense incurred for any of the foregoing purposes shall be regarded as a part of the project and may be paid or reimbursed as such out of the proceeds of user fees, of revenue bonds or notes issued for such project, or from other Revenues obtained by the Compact.

(6) "County" means any county of either State.

(7) "Enterprise" means any for profit or nonprofit venture, business, service provided, industrial facility or utility located within the Compact Area pursuant to any agreement or contract with the Authority.

(8) "Facilities" mean any plant, structure, building, improvement, land, or any other real or personal property of the Compact or Authority or used or useful in a project under the Act.

(9) "Governing Body" means the elected or duly appointed officials constituting the Governing Body of a Municipality or County.

(10) "Municipality" means any incorporated city or town.

(11) "Person" means any natural person, corporation, association, partnership, receiver, trustee, guardian, executor, administrator, fiduciary, governmental unit, public agency, political subdivision, or any other group acting as a unit, and the plural as well as the singular.

(12) "Project" means any industrial, commercial, research and development, warehousing, distribution, transportation, processing, United States or State government or tourism enterprise, facility, or service provided, together with all real property required for construction, maintenance and operation of the Enterprise together with all buildings, and other supporting land and facilities, structures or improvements of whatever kind required or useful for construction, maintenance and operation of the Enterprise; "Project" shall also include any addition to or expansion of an existing enterprise.

(13) "Property Owner Group" means those property owners who have optioned their land or otherwise entered into an agreement for the development of the Project or facilities thereof as a part of the Compact Area.

(14) "Public Agency" means:

(a) Any department, board, commission, institution or other agency or instrumentality of the State;

(b) Any city, town, county, political subdivision, school district or other district created or existing under the laws of the State or any Public Agency of any such city, town, county, political subdivision or district;

(c) Any department, commission, agency or instrumentality of the United States of America; and

(d) Any other state of the United States of America which may be cooperating with respect to location of the Project within the State, or any agency thereof.

(15) "Related Facility" means any facility related to the Project and includes any of the following, as the same may pertain to the project of the Authority within the Project Compact Area:

(a) Facilities to provide utilities including but not limited to electrical, gas, regulatory, industrial interchange services, communications, potable and industrial water supply systems and sewage and waste disposal systems to the site of the project;

(b) Airports, airfields and air terminals;

(c) Rail lines;

(d) Highways, streets and other roadways;

(e) Conference centers, classrooms and instructional facilities, including any functionally related facilities;

(f) Parks and outdoor recreation facilities;

(g) Auditoriums, pavilions, art centers, cultural centers, office complexes, and other public facilities; and

(h) Health care facilities, public or private.

(16) "Revenues" means all rentals, receipts, income and other charges derived or received or to be derived or received by the Authority from any of the following: the operation by the

Authority of a facility or facilities, or part thereof; the sale, including installment sales or conditional sales, lease, sublease or use or other disposition of any property or facility or portion thereof; the sale, lease or other disposition of recovered resources; contracts, agreements or franchises with respect to a facility (or portion thereof), with respect to recovered resources, or with respect to a facility (or portion thereof) and recovered resources, including but not limited to charges with respect to the management of any Project received with respect to a facility, income received as a result of the sale or other disposition of recovered resources, services or utilities; any gift or grant received with respect thereto; proceeds of bonds to the extent of use thereof for payment of principal of premium, if any, or interest on the bonds as authorized by the Authority; proceeds from any insurance, condemnation or guaranty pertaining to a facility or property mortgaged to secure bonds or pertaining to the financing of a facility; income and profit from the investment of the proceeds of bonds or of any revenues and the proceeds of any special tax to which it may be entitled.

(17) "Services Area" means the area adjoining the Compact Area and within two (2) miles thereof in which the Compact may provide the services of any project or facility conducted or operated under the Compact or by the Authority or under its jurisdiction, provided, however, the Compact has obtained any required government approval.

(18) "State" means State of Mississippi or State of Tennessee.

(19) "Unit of Local Government" means any County or Municipality of the State of Mississippi or State of Tennessee.

ARTICLE V. COMPOSITION OF THE COMPACT BOARD.

(1) All powers of the Compact shall be vested in a Board of Directors which will exercise all powers delegated to the Compact by the State Legislatures of Mississippi and Tennessee.

The membership of the Authority shall consist of an appointee of the Governor of each Party State, each State's Chief Economic Development Official or his representative, an appointee of each of the member Counties' Board of Supervisors/County Court selected from nominees

proposed by the County's Industrial Development Board, and an appointee of the Property Owner's Group. Appointments shall be for four (4) years and a plan for staggered terms shall be determined by the initial board.

(a) After the initial term, the Directors shall serve a term of four (4) years, and for such period thereafter until a successor shall be duly appointed and qualified.

(b) Each member of the Board shall be eligible for reappointment. All vacancies shall be filled by appointment in the same manner, provided that any Person appointed to fill a vacancy shall serve only for the unexpired term. Any Director may be removed at any time prior to the expiration of the member's term of office for misfeasance, malfeasance or willful neglect of duty, as determined by the appointing political subdivision or a majority of the Board. Before assuming office, each Director shall take and subscribe to the constitutional oath of office before a Chancery Clerk, and a record of such oath shall be filed with the Secretary of State. The Board of Directors shall annually select a Chairman and Vice-Chairman.

(2) The Board may employ such personnel and appoint and prescribe the duties of such officers as the Board deems necessary or advisable, including a General Manager and a Secretary of the Compact. The General Manager may also serve as Secretary and shall be a person of good moral character and of proven ability as an administrator with a minimum of five (5) years' experience in management and economic development or comparable experience. The General Manager shall administer, manage, and direct the affairs and business of the Compact, subject to the policies, control, and direction of the Board. The General Manager and any director not bonded in another capacity shall give bond executed by a surety company or companies authorized to do business in the respective States in the penal sum of Fifty Thousand Dollars (\$50,000.00) payable to the Authority conditioned upon the faithful performance of his duties and the proper accounting for all funds. The Board may require any of its employees to be bonded. The cost of any bond required by this section or by the Board shall be paid from funds of the Authority. The Secretary shall keep a record of the proceedings of the Authority and shall be

custodian of all books, documents, and papers filed with the Authority, the minute book or journal, and the official seal. The Secretary may make copies of all minutes and other records and documents of the Compact and certify under the seal of the Authority that such copies are true and accurate copies, and all Persons dealing with the Compact Authority may rely upon such certification.

(3) Regular meetings of the Board shall be held as set forth in its bylaws, rules or regulations. Additional meetings of the Board shall be held at the call of the Chairman or General Manager whenever any three (3) members of the Board of Directors so request.

(4) Members of the Board of Directors shall not receive any compensation, but may receive reimbursement for actual and necessary expenses incurred or per diem in lieu thereof.

(5) The Board shall prepare a budget for the Compact for each fiscal year at least sixty (60) days prior to the beginning of each fiscal year, which shall be from July 1 to June 30 of each year.

ARTICLE VI. GENERAL POWERS AND DUTIES OF COMPACT AUTHORITY.

From and after its creation of the Compact the Authority shall be a public corporation, body politic with all the rights and powers now or hereafter conferred as may be deemed necessary to carry out the purposes of the Act including the following:

(1) To maintain an office at a place or places within either State.

(2) To sue and be sued in its own name.

(3) To adopt and use a corporate seal.

(4) To employ or contract with architects, engineers, attorneys, accountants, construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgement and to fix and pay their compensation.

(5) To make, adopt, enforce, amend, and repeal bylaws and rules and regulations for the management of its business and affairs for the use, maintenance, and operation of the Compact, any of the Project Facilities and any other of its properties.

(6) To borrow money and to issue bonds, notes, and other evidence of indebtedness for any of its purposes and to provide for and secure the payment thereof and to provide for the rights of the holders thereof.

(7) To invest any monies of the Compact, including proceeds from the sale of any bonds subject to any agreements with bondholders, on such terms and in such manner as the Compact deems proper.

(8) To exercise any one or more of the powers, rights, and privileges under the Act either alone or jointly or in common with one or more other public or private parties. In any such exercise of such powers, rights, and privileges jointly or in common with others for the development, construction, operation, and maintenance of facilities within the Compact Area or the provider of Facility services to any adjoining area within two (2) miles of the Compact Area, the Authority may own an undivided interest in such facilities with any other party, public or private, with which it may jointly or in common exercise the rights and privileges conferred by the Act and may enter into an agreement or agreements with respect to any such facility with the other party or parties, public or private, participating therein including development agreements, joint ventures and real estate investment trusts. An agreement may contain such terms, conditions, and provisions, consistent with this section, as the parties thereto shall deem to be in their best interest, including, but not limited to, provisions for the construction, operation, and maintenance of such facility by any one or more party of the parties to such agreement. The party or parties may be designated in or pursuant to such agreement as agent or agents on behalf of itself and one or more of the other parties thereto, or by such other means as may be determined by the parties thereto, and including provisions for a method or methods of determining and allocating, among or between the parties, costs of construction, operation, maintenance, renewals, replacements, and improvements related to such facility. In carrying out its functions and activities as such agent with respect to construction, operation, and maintenance of such a facility, such agent shall be governed by the laws and regulations applicable to such agent as a separate legal entity and not by any laws or

regulations which may be applicable to any of the other participating parties. The agent shall act for the benefit of the public. The Authority shall not delegate its right of eminent domain or power of condemnation. Pursuant to any such agreement, the Authority may delegate its powers and duties related to the construction, operation, and maintenance of such facility to the party acting as agent and all actions taken by such agent in accordance with the agreement may be binding upon the Authority without further action or approval of the Board.

(9) To provide the services of any facility or project within the Compact Area to any person or business, or enterprise within the area adjoining the Compact Area and extending two (2) miles, provided, however, the Authority has obtained any required governmental approval for such service.

(10) To make such applications and enter into such contracts for financial assistance as may be appropriate under applicable federal or state law.

(11) To apply for, accept and utilize grants, gifts, donations, and other funds or aid from any source for any purpose contemplated by the Act, and to comply, subject to the provisions of this Act, with the terms and conditions thereof.

(12) To acquire by purchase, lease, gift, investment, trade, exchange or in other manner, including eminent domain as may be authorized under the Act, or obtain options to acquire, and to own, maintain, use, operate, and convey any and all property of any kind, real, personal, or mixed or easement therein or any interest or estate therein, within the Compact Area, necessary for the Project or any facility related to the Project.

(13) To make or cause to be made such examinations and surveys as may be necessary to the planning, design, construction and operation of the Project.

(14) To enter into a development agreement with any public agency or person for the development of the Compact Area, Compact facility property, facility or any portion thereof upon such terms as the parties might agree to carry out the purposes of the Act.

(15) To negotiate the necessary relocation or rerouting of roads and highways, railroad, telephone and telegraph lines and properties, electric power lines, pipelines and related facilities, or to require the anchoring or other protection of any of these, provided due compensation is paid to the owners thereof or agreement is had with such owners regarding the payment of the cost of such relocation, and to acquire by condemnation or otherwise easements or rights-of-way for such relocation or rerouting and to convey the same to the owners of the facilities being relocated or rerouted in connection with purposes of this Act.

(16) To enter into joint agreements, development agreements or other agreements with any person or participant in a joint venture with any person or Public Agency to form and participate in real estate investment trusts and limited liability partnerships, joint ventures, joint ownerships, and agreements for the construction and operation of the facilities or to provide services of any facility or project of the Authority with the Compact or Services Area.

(17) To construct, extend, improve, maintain, and reconstruct, to cause to be constructed, extended, improved, maintained, and reconstructed, and to use and operate any and all components of the Project or any facility related to a Project, with the concurrence of the affected Public Agency, within the Compact area, necessary to the Project and to the exercise of such powers, rights, and privileges granted the Authority.

(18) To incur or defray any designated portion of the cost of any component of the Project or any facility related to the Project acquired or constructed by any Public Agency.

(19) To lease, sell, mortgage, pledge, trade, exchange or otherwise convey any or all property acquired by the Authority under the provisions of this Act to the Enterprise, its successors or assigns, and in connection therewith to pay the costs of title search, perfection of title, title insurance and recording fees as may be required. The Authority may provide in the instrument conveying such property a provision that such property shall revert to the Compact if, as and when the property is declared by the Enterprise to be no longer needed.

(20) To enter into an agreement with the counties adjoining the Compact Area to promote, develop, contract or operate Projects which will contribute to the economic development of the area, to provide such services as may be beneficial to the Counties and to work cooperatively with each County to enhance the overall economic development of the area.

(21) To enter into contracts with any Person or Public Agency including, but not limited to, in furtherance of any of the purposes authorized by this Act upon such consideration as the Authority and such Person or Public Agency may agree. Any such contract may extend over any period of time, notwithstanding any rule of law to the contrary, may be upon such terms as the parties thereto shall agree, and may provide that it shall continue in effect until bonds specified therein, refunding bonds issued in lieu of such bonds, and all other obligations specified therein are paid or terminated. Any such contract shall be binding upon the parties thereto according to its terms. Such contracts may include an agreement to reimburse the Enterprise, its successors and assigns for any assistance provided by the Enterprise in the acquisition of real property for the Project or any facility related to the Project.

(22) To establish and maintain reasonable rates and charges for the use of any facility within the Compact Area owned or operated by or under the Compact, or services provided by the Authority and from time to time to adjust such rates and to impose penalties for failure to pay such rates and charges when due.

(23) To adopt and enforce exclusively all necessary and reasonable rules and regulations to carry out and effectuate the implementation of the Act, the purpose of the Authority and any Project and any land use plan classification adopted for the Compact Area, including but not limited to rules, regulations, zoning, and restrictions concerning mining, construction, excavation or any other activity the occurrence of which may endanger the structure or operation of the Authority and/or any Project. Such rules may be enforced within the Compact Area and without the Compact Area as necessary to protect the structure and operation of the Project.

(24) To plan, design, coordinate and implement measures and programs to mitigate impacts on the natural environment caused by a Project or any facility related to a Project.

(25) To develop plans for technology transfer activities to ensure private sector conduits for exchange of information, technology and expertise related to a Project to generate opportunities for commercial development within the State.

(26) To consult with the State Department of Education and other public agencies for the purpose of improving public schools and curricula and training programs within the Compact Area.

(27) To consult with the State Board of Health and other public agencies for the purpose of improving medical centers, hospitals and public health centers in order to provide appropriate health care facilities within the Compact Area.

(28) To do any and all things necessary or proper for the accomplishment of the objectives of this Act and to exercise any power usually possessed by private corporations performing similar functions which is not in conflict with the Constitution and laws of the respective States, including the power to employ professional and administrative staff and personnel and to retain legal, engineering, fiscal, accounting, and other professional services; the power to purchase all kinds of insurance, including without limitations, insurance against tort liability and against risks of damage to property; and the power to act as self-insurer with respect to any loss or liability.

ARTICLE VII. PROMULGATION OF RULES AND REGULATIONS.

(1) The Authority may adopt and promulgate all reasonable rules and regulations regarding the operation of the Compact, its Projects, the Compact Area, and Services Area, and the specifications and standards relating to the construction, operation, and maintenance of any facility.

(2) The Board shall have exclusive jurisdiction for the development of any land use planning or the promulgation of land use restrictions, regulations or zoning ordinance which shall govern all land use within the Compact Area. Once the Compact is established, no other zoning or land use restrictions may be adopted by any unit of each government and applicable within the Compact Area. Any land use regulation or zoning ordinance adopted by any unit of local

government affecting land adjoined to the Compact Area and within one-quarter (¼) mile thereof must be consistent with the land use plan of the Compact and is subject to the approval of the Compact Board.

ARTICLE VIII. BONDS OF COMPACT.

(1) The Authority is empowered and authorized, from time to time, to issue bonds in such principal amounts as shall be necessary to provide sufficient funds for achieving any of its corporate purposes, including without limiting the generality of the foregoing, the financing of the acquisition, construction, improvement of facilities or any combination thereof, the payment of interest on bonds of the Authority, establishment of reserves to secure such bonds, expenses incident to the issuance of such bonds including bond insurance and to the implementation of programs or Projects, and any other capital expenditures but not operating costs of the Authority incident to or necessary or convenient to carry out its corporate purposes and powers.

(2) The Authority may issue such types of bonds or notes as it may determine, subject only to any agreement with the holders of particular bonds, including bonds as to which the principal and interest are payable exclusively from all or a portion of the Revenues derived from one or more facilities pursuant to the contracts entered into by public agencies, and other Persons, or any combination of any of the foregoing, or which may be secured by a pledge or any grant, subsidy, or contribution from any Public Agency or other Person, or a pledge of an income or Revenues, funds or monies of the Authority from any source whatsoever.

(3) Bonds shall be authorized by a resolution or resolutions of the Board. Such bonds shall bear such date or dates, mature at such time or times (either serially, term or a combination thereof), bear interest at such rate or rates, be in such denomination or denominations, be in such registered form, carry such conversion or registration privileges, have such rank or priority, be executed in such manner and by such officers, be payable from such sources in such medium of payment at such place or places within or without the State, provided that one (1) such place shall

be within the State, be subject to such terms of redemption prior to maturity, all as may be provided by resolution or resolutions of the Compact.

(4) Any bonds of the Authority may be sold at such price or prices, at public or private sale, in such manner and at such times as may be determined by the Authority to be in the public interest, and the Authority may pay all expenses, premiums, fees and commissions which it may deem necessary and advantageous in connection with the issuance and sale thereof.

(5) Any pledge of earnings, Revenues or other monies made by the Authority under the Compact shall be valid and binding from the time the pledge is made and the earnings, Revenues or other monies so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(6) Neither the Board members of the Compact nor any Person executing the bonds shall be personally liable on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(7) Whenever any bonds shall have been signed by the officers designated by resolution of the Authority to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers prior to the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the manual or facsimile signatures of such officers upon such bonds and the coupons appertaining thereto, shall nevertheless be valid and sufficient for all purposes and have the same effect as if the Person so officially executing such bonds had remained in office until the delivery of the same to the purchaser or had been in office on the date such bonds may bear.

(8) The bonds issued by the Authority under authority of the Compact shall be limited obligations of such Compact. The principal, interest, and redemption premium, if any, shall be

payable solely out of the moneys to be derived by the Compact. Revenue bonds and interest coupons issued under authority of this Act shall never constitute an indebtedness of the State or any County or Municipality within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of a County or Municipality or the State, or a charge against its general credit or taxing powers, and such fact shall be plainly stated on the face of each bond.

ARTICLE IX. TEMPORARY BORROWING BY COMPACT.

(1) Pending the issuance of revenue bonds by the Authority, the Board is hereby authorized to make temporary borrowings not to exceed two (2) years in anticipation of the issue of bonds in order to provide funds in such amounts as may, from time to time, be deemed advisable prior to the issue of bonds. To provide for such temporary borrowings, the Authority may enter into any purchase, loan or credit agreement, or agreements or other agreement or agreements with any banks or trust companies or other lending institutions, investment banking firms or Persons in the United States having power to enter into the same.

(2) All temporary borrowings made under this section shall be evidenced by notes of the Authority which shall be issued, from time to time, for such amounts, in such form and in such denominations and subject to terms and conditions of sale and issue, prepayment or redemption and maturity, rate or rates of interest and time of payment of interest as the Board shall authorize and direct. Such authorization and direction may provide for the subsequent issuance of replacement notes to refund, upon issuance thereof, such notes, and may specify such other terms and conditions with respect to the notes and replacement notes thereby authorized for issuance as the Board may determine and direct.

ARTICLE X. REFUNDING BONDS.

The Authority may issue refunding bonds for the purpose of paying any of its bonds at or prior to maturity or upon acceleration or redemption. Refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the Authority deems to be in the public

interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereof, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding Bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by the resolution, trust indenture or other security instruments.

ARTICLE XI. GENERAL TERMS AND CONDITIONS OF BONDS OF COMPACT.

The Authority shall have power in the issuance of its bonds to:

- (1) Covenant as to the use of any or all of its property, real or personal.
- (2) Redeem the bonds, to covenant for their redemption and to provide the terms and conditions thereof.
- (3) Covenant to charge rates, fees and charges sufficient to meet operating and maintenance expenses, renewals, and replacements, principal and debt service on bonds, creation, and maintenance of any reserves required by a bond resolution, trust indenture or other security instrument and to provide for any margins or coverages over and above debt service on the bonds deemed desirable for the marketability of the bonds.
- (4) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity, as to the terms and conditions upon which such declaration and its consequences may be waived and as to the consequences of default and the remedies of bondholders.
- (5) Covenant as to the mortgage or pledge of or the grant of a security interest in any real or personal property and all or any part of the Revenues from any facilities or any revenue-producing contract or contracts made by the Compact with any Person to secure the payment of bonds, subject to such agreements with the holders of bonds as may then exist.

(6) Covenant as to the custody, collection, securing, investment, and payment of any revenue assets, monies, funds or property with respect to which the Compact may have any rights or interest.

(7) Covenant as to the purpose to which the proceeds from the sale of any bonds then or thereafter to be issued may be applied, and the pledge of such proceeds to secure the payment of the bonds.

(8) Covenant as to the limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

(9) Covenant as to the rank or priority of any bonds with respect to any lien or security.

(10) Covenant as to the procedure by which the terms of any contract with or for the benefit of the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given.

(11) Covenant as to the custody of any of its properties or investments, the safekeeping thereof, the insurance to be carried thereon, and the use and disposition of insurance proceeds.

(12) Covenant as to the vesting in a trustee or trustees, within or outside the State, of such properties, rights, powers, and duties in trust as the Authority may determine.

(13) Covenant as to the appointing and providing for the duties and obligations of a paying agent or paying agents or other fiduciaries within or outside the State.

(14) Make all other covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or in the absolute discretion of the Authority tend to make the bonds more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein; it being the intention hereof to give the Authority power to do all things in the issuance of bonds and in the provisions for security thereof which are not inconsistent with the Constitution of the State.

(15) Execute all instruments necessary or convenient in the exercise of the powers herein granted or in the performance of covenants or duties, which may contain such covenants and provisions, as any purchaser of the bonds of the Compact may reasonably require.

ARTICLE XII. APPOINTMENT OF TRUSTEE OR RECEIVER FOR ENFORCEMENT OR PROTECTION OF RIGHTS OF BOND HOLDERS.

The Authority may, in any authorizing resolution of the Board of Directors, trust indenture or other security instrument relating to its bonds, provide for the appointment of a trustee who shall have such powers as are provided therein to represent the bondholders of any issue of bonds in the enforcement or protection of their rights under any such resolution, trust indenture or security instrument. The Authority may also provide in such resolution, trust indenture or other security instrument that the trustee, or if the trustee so appointed fails or declines to protect and enforce such bondholders' rights then the percentage of bondholders as shall be set forth in, and subject to the provisions of, such resolution, trust indenture or other security instrument, may petition the Court of proper jurisdiction for the appointment of a receiver of the facilities, the revenues of which are pledged to the payment of the principal of and interest on the bonds held by such bondholders. Such receiver may exercise any power as may be granted in any such resolution, trust indenture or security instrument to enter upon and take possession of, acquire, construct or reconstruct, or operate and maintain such facilities, fix, charge, collect, enforce, and receive all revenues derived from such facilities, and perform the public duties and carry out the contracts, and obligations of the Compact in the same manner as the Compact itself might do, all under the direction of such a proper court.

ARTICLE XIII. EXEMPTION FROM TAXATION.

(1) The exercise of the powers granted by this Act will be in all respects for the benefit of the people of the states for their well-being and prosperity and for the improvement of their social and economic conditions, and neither the Compact nor Authority shall be required to pay any tax or assessment on any property owned by the Compact or the Authority upon the income therefrom.

(2) Any bonds issued by the Authority under the Compact Act, their transfer and the income therefrom shall at all time be free from taxation by the State or any Unit of Local Government or other instrumentality of the State, except for inheritance and gift taxes.

ARTICLE XIV. POWERS OF COUNTIES, MUNICIPALITIES OR OTHER POLITICAL SUBDIVISIONS AND AGENCIES AND INSTRUMENTALITIES THEREOF AS TO ASSISTANCE AND COOPERATION WITH THE COMPACT.

(1) For the purpose of attaining the objectives of the Act, any County, Municipality or other Unit of Local Government, public corporation, agency or instrumentality of the State, a County or Municipality or person may, upon terms and with or without consideration, as it may determine, do any or all of the following:

(a) Lend, contribute, or donate money to the Compact or Authority or perform services for the benefit thereof;

(b) Donate, sell, convey, transfer, lease, option or grant upon such terms as the parties may agree, without the necessity of authorization at any election of qualified voters, any property of any kind; and

(c) Do any and all things, whether or not specifically authorized in this section, not otherwise prohibited by law, that are necessary or convenient to aid and cooperate with any authority in attaining the objectives of the Act.

ARTICLE XV. CONTRACTING FOR PROJECTS.

Contracts for acquisition, purchase, construction and/or installation of a Project shall be effected in the manner prescribed by law for public contracts; provided, however, that where:

(a) The Authority finds and records such finding on its minutes, that because of availability or particular nature of a Project, it would not be in the public interest or would less effectively achieve the purposes of the Act to enter into such contracts upon the basis of public bidding pursuant to advertising;

(b) The industry concurs in such finding; and

(c) Such finding is approved by the Board, public bidding pursuant to advertisement may be dispensed with and such contracts may be entered into based upon negotiation; and provided further, that the industry or enterprise locating within the Compact Area, at its option, may negotiate such contracts in the name of the Compact or Authority.

ARTICLE XVI. CONTRACTS WITH PUBLIC AGENCIES.

For the purpose of aiding in the planning, design, undertaking carrying out of the Project or any facility related to the Project, any Public Agency is authorized and empowered upon such terms, with or without consideration, as it may determine:

(a) To enter into agreements, which may extend over any period, with the Authority respecting action to be taken by such Public Agency with respect to the acquisition, planning, construction, improvement, operation, maintenance or funding of the Project or any such facility, and which agreements may include (i) the appropriation or payment of funds to the Compact or Authority or to a trustee in amounts which shall be sufficient to enable the Authority to defray any designated portion or percentage of the expenses of administering, planning, designing, constructing, acquiring, improving, operating, and maintaining the Project or any facility related to the Project, and (ii) the furnishing of other assistance in connection with the Project or facility related to the Project;

(b) To dedicate, sell, donate, convey or lease any property or interest in property to the Authority or grant easements, licenses or other rights or privileges therein to the Authority;

(c) To incur the expense of any public improvements made or to be made by such Public Agency in exercising the powers granted in this section;

(d) To lend, grant or contribute funds to the Authority;

(e) To cause public buildings and public facilities, including parks, playgrounds, recreational areas, community meeting facilities, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished to or with respect to the Project or any such facility;

(f) To furnish, dedicate, close, vacate, pave, install, upgrade or improve highways, streets, roads, sidewalks, airports, railroads, or ports;

(g) To plan or replan, zone or rezone any parcel of land within the Public Agency or make exceptions from land use, building and zoning regulations; and

(h) To cause administrative and other services to be furnished to the Authority, including services pertaining to the acquisition of real property and the furnishing of relocation assistance. Any contract between a Public Agency entered into with the Authority pursuant to any of the powers granted by this Act shall be binding upon said Public Agency according to its terms, and such Public Agency shall have the power to enter into such contracts as in the discretion of the governing authorities thereof would be to the best interest of the people of such Public Agency. If at any time title to or possession of the Project or any such facility is held by any public body or governmental agency other than the Authority, including any agency or instrumentality of the United States of America, the agreements referred to in this section shall inure to the benefit of and may be enforced by such public body or governmental agency.

ARTICLE XVII. ESTABLISHMENT OF JOINT VENTURE.

The Compact Board is empowered to establish and create such nonprofit corporations, joint ventures, limited liability companies as from time to time the Board may deem necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in this Act, and to delegate to such departments, boards or other agencies such administrative duties and other powers as the Board deems necessary or desirable.

ARTICLE XVIII. OWNERSHIP AND DISPOSITION OF PROPERTY.

The Authority is authorized to acquire property, real, personal or mixed, within or without its territorial limits, in fee simple or any lesser interest or estate, by purchase, gift, devise or lease, on such terms and conditions as the Board may deem necessary or desirable, and by condemnation, all provided that the Board determines that the use or ownership of such property is necessary in the furtherance of a designated lawful purpose authorized under the provisions of this Act, and

amendments thereto; to acquire mineral rights and leases; to acquire title to submerged lands and riparian rights and easements or rights-of-way with or without restrictions within or without the limits of the Authority; to accept the dedication of streets and other rights-of-way on such terms and conditions as the Board may approve; to make purchase money mortgages and deed trusts and other forms of encumbrance on any property acquired by the Authority and to purchase property subject to purchase money mortgages, or other encumbrances; and to mortgage, hold, manage, control, convey, lease, sell, grant or otherwise dispose of the same, and of any of the assets and properties of the Authority, with or without consideration.

ARTICLE XIX. LEASE OF FACILITIES.

Whenever deemed necessary or desirable by the Board the Authority may lease as lessor or lessee to or from any person, firm, corporation, association or body public or private, any Projects of the type that the Compact is authorized to undertake and facilities or property of any nature for the use of the Compact and to carry out any of the purposes of the Compact.

ARTICLE XX. COMPACT SERVICES AUTHORIZED.

The Compact, in furtherance of its purpose and to provide the necessary services for the development of the Compact Area is authorized by agreement, ownership, contract, lease, joint venture or otherwise to do the following within the Compact or Service Area:

(1) **Reclamation and Drainage.** To adopt a plan of reclamation, and may own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve canals, ditches, drains, dikes, levees, pumps, plants and pumping systems and other works, machinery and plants.

(2) **Water and Sewer Systems.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve water systems and sewer systems or combined water and sewer systems; to regulate the use of sewers and the supply of water within the Compact Area or within one (1) mile thereof and to prohibit or regulate the use and maintenance of out-houses, privies, septic tanks or other sanitary structures or appliances within the Compact Area; to prescribe methods of pretreatment of wastes not amenable to treatment with domestic sewage before

accepting such wastes for treatment and to refuse to accept such wastes when not sufficiently pretreated as may be prescribed, and to prescribe penalties for the refusal of any person or corporation to so pretreat such wastes; to sell or otherwise dispose of the effluent, sludge or other by-products as a result of sewage treatment; and to construct and operate connecting, intercepting or outlet sewers and sewer mains and pipes and water mains, conduits or pipelines in, along or under any street, alleys, highways or other public places or ways within or without the Compact Services Area, when deemed necessary or desirable by the Board in accomplishing the purposes of this Act.

(3) **Waste Collection and Disposal.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve a waste collection and disposal system, and to sell or otherwise dispose of any effluent, residue or other by-products of such systems.

(4) **Airport Facilities.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve airport facilities.

(5) **Recreation Facilities.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve parks, playgrounds, picnic grounds, golf courses, swimming pools, and other water recreation facilities, auditoriums, civic centers, aquariums, libraries, museums, recreational centers, convention halls and facilities, telecommunication facilities, community antenna television systems, and cultural, recreational and educational buildings, facilities and projects of all kinds and descriptions.

(6) **Parking Facilities.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve parking facilities, to install or cause to be installed parking meters at or near the curbs of streets, roads and other public ways within the Compact Area, and to adopt such regulations and impose such charges in connection with any parking facilities as the Board may deem necessary or desirable.

(7) **Fire Protection.** To own, acquire, construct, reconstruct, equip, maintain, operate, extend and improve fire control facilities for the Compact, including fire stations, water mains and

plugs, fire trucks and other vehicles and equipment, and to undertake such works and construct such facilities as may be determined necessary by the Board to carry out a program of fire prevention and fire control within the Compact or Service Area.

(8) **Advertising.** To undertake a program of advertising to the public and promoting the businesses, facilities and attractions within the Compact Area and the Projects of the Compact and to expend moneys and undertake such activities to carry out such advertising and promotional program as the Board from time to time may determine.

(9) **Transportation.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve common, private or contract carriers, buses, vehicles, railroads, airplanes, helicopters, telecommunications facilities, and other transportation facilities, whether now or hereafter invented or developed, as may be determined from time to time by the Board to be useful or appropriate to meet the transportation requirements of the Compact and activities conducted within the Compact Area; and to extend such transportation facilities to areas outside the Compact Area in order to provide transportation to and from the Compact.

(10) **Other Utilities.** To own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve electric power plants, transmission lines and related facilities, gas mains and facilities of any nature for the production or distribution of natural gas, telephone lines, plants and systems and other communications systems of any nature, transmission lines and related facilities and plants and facilities for the generation and transmission of power; to purchase electric power, natural gas and other sources of power for distribution within the Compact Area; and upon agreement and approval to the Services Area; and to develop and operate such new and experimental public utilities, including but not limited to centrally distributed heating and air conditioning facilities and services, closed-circuit television systems, and computer and telecommunication services and facilities, as the Board may from time to time determine.

(11) **Conservation Areas and Sanctuaries.** To designate, set aside and maintain lands and areas within the Compact Area as conservation areas; to promulgate and enforce rules and regulations with respect thereto and to protect and preserve the natural beauty thereof.

ARTICLE XXI. EXERCISE OF EMINENT DOMAIN.

To exercise the power of eminent domain for the particular purpose of the acquisition of property designated by plan to sufficiently accommodate the location of the specific facilities and utilities, and such requirements related directly thereto pursuant to the provisions of applicable state law. Provide, however, prior to the exercise of this power the Compact's Board of Directors shall enter on its minutes the determination of the need to use the power of eminent domain to the acquisition of a part of the acreage involved, not to exceed ten percent (10%), and the Board shall so specify in its minutes, which shall be the Compact's evidence of authority to use the power of eminent domain as above specifically defined.

ARTICLE XXII. AGREEMENTS WITH PRIVATE PARTIES CONCERNING THE FURNISHING OF FACILITIES AND SERVICES.

The Authority shall have the power to enter into agreements with any person, firm or corporation for the furnishing by such person, firm or corporation of any facilities and services of the type provided for in this Act to the Compact or Compact Area, and for or on behalf of the Compact to persons, firms, corporations and other public or private bodies and agencies to furnish facilities and services within the Services Area, and the Authority may by agreement join with any public or privately owned utility company plant or system in furnishing any of the facilities or services of the Authority within the Compact Services Area, and provided further that the Authority shall not enter into any franchise or other agreement with any person, firm or corporation to provide either independently, jointly with, as agent of the Compact or otherwise telephone service in any area of the Compact as to which area such person, firm or corporation does not hold a certificate of convenience and necessity from the State Public Service Commission or appropriate regulatory agency.

ARTICLE XXIII. SHORT TERM BORROWINGS.

The Authority at any time may obtain loans, in such amount and on such terms and conditions as the Board may approve, for the purpose of paying any of the expenses of the Authority or any costs incurred or that may be incurred in connection with any of the Projects of the Authority, which loans shall have a term not exceeding two (2) years from the date of issuance thereof, and may be renewable for a like term or terms, and may be payable from and secured by a pledge of such funds, Revenues, taxes and assessments as the Board may determine.

ARTICLE XXIV. COOPERATION AGREEMENTS WITH THE STATE, COUNTIES AND MUNICIPALITIES.

(1) The States of Mississippi and Tennessee and the counties, municipalities and other political subdivisions and public bodies and agencies thereof, or any of them, whether now existing or hereafter created, are authorized to aid and cooperate with the Compact in carrying out any of the purposes and Projects of the Compact to enter into cooperation agreements with the Compact, to provide in any such cooperation agreement for the making of loans, gifts, grants or contributions to the Compact and the granting and conveyance to the Compact of real or personal property of any kind or nature, or any interest therein, for the carrying out of the purposes and Projects of the Compact, to covenant in any such cooperation agreement to pay all or any part of the costs of acquisition, construction, reconstruction, extension, improvement, operation and maintenance of any of the Projects of the Compact, and to pay all or any part of the principal and interest on any bonds of the Compact and all or any part of the deposits required to be made into any reserve, renewal and replacement or other funds created and established by the indenture, resolution, deed of trust or other instrument securing such bonds.

(2) The Authority is empowered to enter into a joint venture development agreement or other agreement to provide services, facilities or to invest such available funds of the Compact in a Project which contributes to the economic growth and development of Fayette County, Tennessee, or Marshall County, Mississippi, as may be determined by the Board.

**ARTICLE XXV. CONFIDENTIALITY OF CLIENT INFORMATION CONCERNING
DEVELOPMENT PROJECTS.**

(1) Any records of the Compact which contain client information concerning development projects shall be exempt from the provisions of the State's Public Records Act for a period of two (2) years after receipt of the information by the Compact.

(2) Confidential client information in public records held by the Compact shall be exempt from the provisions of the State's Public Records Act during the period of review and negotiation on a Project proposal and for a period of ninety (90) days after approval, disapproval or abandonment of the proposal not to exceed one (1) year by the department in writing.

**ARTICLE XXVI. INTERSTATE AND FEDERAL COOPERATION; ECONOMIC
DEVELOPMENT FUND.**

The Authority is hereby authorized to cooperate and coordinate with economic development commissions, travel, and other similar commissions and boards, and/or other similar agencies of other states, the federal government, and with county, municipal, and regional economic development, travel, and other similar commissions or boards, or other agencies thereof, for the purposes of securing economic development within the States of Mississippi and Tennessee, and to accomplish this purpose.

ARTICLE XXVII. PUBLICITY AND ADVERTISING.

It shall be the duty of and the Authority is hereby authorized to prepare and execute a program of publicity and advertising that will bring into favorable notice the industrial, commercial, recreational, educational and social advantages, opportunities, possibilities, resources, and facilities of the Compact, and in the preparation and execution of such program the Compact may use any funds which may be appropriated or otherwise made available.

ARTICLE XXVIII. SALE, LEASE, ETC., OF ENTERPRISES.

The Authority when and to the extent authorized by the Board pursuant hereto, is hereby authorized and empowered, if they so desire, to sell, lease or otherwise dispose of any industrial

enterprise or other enterprises of the Compact, in whole or in part, on such terms and conditions and with such safeguards as will best promote and protect the public interest, and are authorized, acting with the approval of the General Manager by and through the Board, to transfer title or possession to such industry or to any property utilized therein, by warranty deed, lease, bill of sale, contract or other customary business instrument, in the same manner and to the same extent, when so thus authorized by the General Manager, that any private corporation, association or person may now contract, with reference to such property of a similar nature, provided that such disposition shall not be made except by the affirmative vote of at least two-thirds (2/3) of the Board, and all votes shall be of record. All income from any lease or contract for the operation or from the disposition of an industrial enterprise may be used by the Compact for any authorized purpose, provided, however, if bonds have been issued for the Enterprise the proceeds shall be paid into the bond sinking funds provided for the bonds issued, if any for the retirement of such bonds if any are outstanding for the sale year and the interest thereon, and such income or proceeds shall not be used by the Compact for any other purpose except as to disposition of surplus income authorized above, and shall be subject to all of the provisions hereof relative to such sinking fund.

ARTICLE XXIX. REQUIREMENTS RESPECTING LEASE OF PROJECTS.

Prior to the leasing of any project, enterprise or facilities for which bonds have been issued, the Compact's Board of Directors must determine and find the following: the amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance such Project; the amount necessary to be paid each year into any reserve funds, which amounts may include deposits in escrow or reserve amounts as advance sums for the payment of insurance, which the governing body may deem it advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the Project; and, unless the terms under which the Project is to be leased provide that the lessee shall maintain the project and carry all proper insurance with respect thereto, the estimated cost of maintaining the Project in good repair and keeping it properly insured. The determinations and findings of the governing body required to

be made in the preceding sentence shall be set forth in the proceedings under which the proposed bonds are to be issued; and prior to the issuance of such bonds, the Authority shall lease the Project to a lessee under an agreement conditioned upon completion of the Project and providing for payment to the Authority of such rentals as, upon the basis of such determinations and findings, will be sufficient (a) to pay the principal of and interest on the bonds issued to finance the Project, (b) to build up and maintain any reserve deemed by the Board to be advisable in connection therewith, and (c) unless the agreement of lease obligated the lessee to pay for the maintenance and insurance of the Project, to pay the cost of maintaining the Project in good repair and keeping it properly insured. Such lease shall be made upon such other terms and conditions and for the time which may be determined by the Authority and may contain provisions authorizing the purchase of the entire project or any portion thereof by the industry or its assignee after all bonds (if any) issued thereunder have been paid in full, for such consideration and upon such terms and conditions as the Authority may determine.

**ARTICLE XXX. PLANS FOR INDUSTRIAL PLANT TRAINING AND RECRUITMENT;
INDUSTRIAL REVOLVING FUND.**

The Authority is hereby authorized and empowered to formulate and place into existence, plans for industrial plant training, workplace skills or other educational activities to aid in recruitment for new and expanded industries, or both, and to enter into agreements for such training with college, university commitment or college or training institution in either or both member States.

**ARTICLE XXXI. LEASE/SALE AGREEMENTS BETWEEN COMPACT AND
INDUSTRIES.**

Any agreement made under the Act may provide that the Project will be owned by the Authority, and leased to the industry; may provide the industry with an option to purchase the Project upon such terms and conditions as the governing board and the industry shall agree upon, at a price which represents the fair market value at the time of purchase or may provide that the

Project shall become the property of the industry upon the acquisition thereof. Any such agreement may also, but is not required to, include a guaranty agreement whereby a corporation, foreign or domestic, other than the industry guarantees in whole or in part the obligations of the industry under the lease/sale upon such terms and conditions as the governing board may deem appropriate.

ARTICLE XXXII. Nothing in this Compact shall be construed so as to conflict with any existing statute, or to limit the powers of any Party State, or to repeal or prevent legislation, or to authorize or permit curtailment or diminution of any other economic development project, or to affect any existing or future cooperative arrangement or relationship between any federal agency and a Party State.

ARTICLE XXXIII. This Compact shall continue in force and remain binding upon each Party State until the Governor with the consent of the Legislature of each or either state takes action to withdraw therefrom; provided that such withdrawal shall not become effective until six (6) months after the date of the action taken. Notice of such action shall be given by the Secretary of State of the Party State which takes such action.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.